



August 8, 2023

Via E-mail mhester@munsch.com

Mason P. Hester

Munsch Hardt Kopf & Harr, P.C.

700 Milam Street, Suite 800

Houston, Texas 77002-2806

Re: Principal: PRCHOU, LLC (“PRC”)
Obligee: Metropolitan Transit Authority of Harris County (“Metro”)
Surety: Travelers Casualty and Surety Company of America
 (“Travelers”)
Bonds: Performance Bond No. 107521472 and Performance Bond
 No. 107521472-1 (the “Bonds”)
Projects: Segment #2 of route 56 – between Cavalcade & Tidwell
 Segment #3 between Tidwell and Gulf Bank Roads
 (collectively, the “Projects”)

NOTICE OF DEFAULT

Mason:

In sending this letter to you, my understanding is that you continue to represent all indemnitors, which are PRC, Mukadas D. Kuban, Apar Pataer, Abdul R. Dawood, and Maria E. Dawood (the “Indemnitors”). Please let me know if you do not represent any of these parties in connection with indemnity matters, and I will reach out to them directly.

In correspondence dated July 16, 2023, the Surety demanded collateral of \$2,866,884.78. This demand was pursuant to the obligations of the Indemnitors under the *General Agreement of Indemnity* executed on May 9, 2019 (the “Indemnity Agreement”). This letter demanded collateralization – or a reasonable proposal for the pledging of collateral – by 11:59 PM on July 21, 2023. Collateral has not been provided.

Accordingly, the failure of the Indemnitors to collateralize the Surety as demanded constitutes a default of the Indemnity Agreement. As noted in the prior letter, based on this default, the Surety will move forward with consideration of all actions necessary to

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fully protect its interests. Feel free to give me a call at 214-494-8097 if you have any questions.

Nothing herein shall be deemed to be an estoppel, waiver, modification of any of the Surety's rights or defenses, and the Surety reserves all of its rights and defenses under any bond, contract, agreement, or applicable law. The Surety also makes a specific reservation of the right to demand additional collateral at any time should the Surety deem it necessary. The Surety also reserves its right to demand indemnity for all losses suffered on any bond issued on behalf of PRC, including attorney's fees and expenses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bains", is positioned above the printed name.

Brandon K. Bains

cc: Connor Best